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BRINKS HOFER GILSON & LIONE P.O. BOX 10395 CHICAGO, IL 60610			ZURITA, JAMES H	
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Please find below and/or attached an Office communication concerning this application or proceeding.

DETAILED ACTION

Response to Amendment

Amendment of 24 August 2004 amended claim 157, 192, 194.

Claims 157-168,170-186 and 188-199 remain and are examined.

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 157-168,170-186 and 188-199 are rejected under 35 U.S.C. 103(a) as being unpatentable over Edelson et al. (US Patent 5,737,539) in view of AMWAY® Products Delivered on your Schedule, Customer Order Worksheet, published 06/24/1998 (hereinafter Amway).

At the onset, the Examiner respectfully notes that applicant requires a system that is *capable of* performing certain functions. The Examiner notes that Edelson is capable of performing functions claimed in applicant's most recent amendment.

As per claim 157 Edelson discloses methods for facilitating electronic commerce through a network. The network includes at least one server capable of communicating with remote client computers. The remote client computers have different screens that may be used to place recurring orders in medications and drugs. See, for example, entry screens, Fig. 1 and related text. See also prescription creation screen, Fig. 3 and related text. Edelson discloses:

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receiving a first order for one or more of a plurality of electronic commerce system products or services and corresponding to files. See, for example, references to prescriptions (applicant's orders), service or parts orders, Col. 1, lines 1-15, Col. 3, lines 66-Col. 4, line 15, Col. 8, lines 20-62.

generating a first profile, said first profile comprising the first order and specifying a recurrence for the first order. See at least references to prescription profiles, for example, Col. 9, line 65-Col. 10, line 38. See also references to refills, Col. 2, lines 16-41. See also at least references to prescription creation screen, Col. 18, line 54-Col. 21, line 3. See also references to new prescriptions, at least Col. 24, line 60-Col. 26, line 54.

causing the first order to automatically recur one or more times according to the specification. See, for example, references to prescription quantification and to number of times refilling is permitted, Col. 25, line 35-Col. 26, line 54.

Edelson does not specifically mention a **browser** located at a remote client computer. Edelson does not specifically disclose that the products correspond to **web** files. The steps of receiving an order, generating a profile and causing the order to recur would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to disclose a browser located at a remote

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client computer and that the products correspond to web files because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

Alternatively, Edelson discloses that his network can reach nationally, internationally across the Internet to multiple clients. See, for example, Col. 47, lines 1-20. See also Fig. 16 and related text. See also at least references to user-device clients (for example Col. 7, lines 16-32), multiple intelligent clients, at least Col. 45, lines 15-30. It is well known that Internet screens are often in the form of HTML web pages that are viewed at remote clients by MICROSOFT and NETSCAPE browsers. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Edelson and the use of browsers and web files. One of ordinary skill in the art at the time the invention was made would have been motivated to combine Edelson and the use of browsers and web files for the obvious reason that ease of use is important in facilitating electronic commerce.

In addition, the Examiner notes that it has been held that broadly providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art. In re Venner, 120 USPQ 192.

As per claim 174 (directed to a system), Edelson discloses at least one server computer capable of communicating with a browser system located at a remote client computer over a network. See, for example, Fig. 16 and related

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text, which shows a network with at least one server and multiple remote client computers. Edelson discloses that the server comprises executable code tangibly embedded in computer-readable media (i.e., programs) that manage orders for the system. The functions performed by the system include receiving a first order for one or more products or services. See, for example, references to prescriptions (applicant's orders), service or parts orders, Col. 1, lines 1-15, Col. 3, lines 66-Col. 4, line 15, Col. 8, lines 20-62.

The system includes programs that generate a first profile, said first profile comprising the first order and specifying a recurrence for the first order. See at least references to prescription profiles, for example, Col. 9, line 65-Col. 10, line 38. See also references to refills, Col. 2, lines 16-41. See also at least references to prescription creation screen, Col. 18, line 54-Col. 21, line 3. See also references to new prescriptions, at least Col. 24, line 60-Col. 26, line 54.

The system also includes programs that cause the first order to automatically recur one or more times according to the specification. See, for example, references to prescription quantification and to number of times refilling is permitted, at least in Col. 25, line 35-Col. 26, line 54.

Edelson does not specifically mention a **browser** located at a remote client computer. Edelson does not specifically disclose that the products correspond to **web** files.

However these differences are only found in the descriptive material and are not functionally involved in the steps recited. However, the specific browser or web files used for entering and storing data does not patentably distinguish the

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claimed system. It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide any type of data entry and data storage mechanism in the system taught by Edelson because the subjective interpretation of data entry and data storage does not patentably distinguish the claimed invention.

In addition, the Examiner notes that it has been held that broadly providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art. In re Venner, 120 USPQ 192.

As per claim 192, Edelson discloses methods for facilitating electronic commerce through a network, where the network comprises at least one server computer capable of communicating with system(s) located at a remote client computer. The methods and system include:

establishing an automated order in response to the system. See rejection of claim 157.

repetitively sending a product or providing a service in response to (a). See, for example, references to prescription fulfillment, at least Col. 26, line 55-Col. 31, line 45.

As per claim 195, Edelson discloses methods for facilitating electronic ordering of a product or service in response to a user selection through a network, said network comprising at least one server computer capable of communicating with a system located at a remote client computer and establishing a standing order in response to the selection of the product or

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service. See, for example, references to prescription fulfillment, at least Col. 26, line 55-Col. 31, line 45. See also rejection of claims 157, 174 and 192, above.

As per claim 197, Edelson discloses methods for facilitating electronic commerce in an electronic commerce system through a network, said network comprising at least one server computer capable of communication with a system located at a remote client computer, said method comprising:

- (a) receiving a standing order process selection. See rejection of claim 157.
- (b) providing standing order profile information, the standing order profile information operable to allow a user to set up an automated order system that sends products and/or services to the user at regular intervals, the standing order profile information provided in response to (a). See rejection of claim 157.
- (c) establishing long-term orders of the products and/or services as a function of the regular intervals. See rejection of claim 192.

As per claims 192, 195 and 197, Edelson does not specifically mention a **browser** located at a remote client computer. Edelson does not specifically disclose that the products correspond to **web** files. The steps of receiving an order, generating a profile, causing the order to recur and establishing long-term orders would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

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It would have been obvious to a person of ordinary skill in the art at the time the invention was made to disclose a browser located at a remote client computer and that the products correspond to web files because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

Alternatively, Edelson discloses that his network can reach nationally, internationally across the Internet to multiple clients. See, for example, Col. 47, lines 1-20. See also Fig. 16 and related text. See also at least references to user-device clients (for example Col. 7, lines 16-32), multiple intelligent clients, at least Col. 45, lines 15-30. It is well known that Internet screens are often in the form of HTML web pages that are viewed at remote clients by MICROSOFT and NETSCAPE browsers. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Edelson and the use of browsers and web files. One of ordinary skill in the art at the time the invention was made would have been motivated to combine Edelson and the use of browsers and web files for the obvious reason that ease of use is important in facilitating electronic commerce.

As per claims 159 and 179, Edelson discloses a marketing system. See, for example, at least Col. 24, lines 19-59.

As per claims 161 and 177, Edelson discloses shipping said first order to a user according to said first profile. See, for example, references to prescription fulfillment, at least Col. 26, line 55-Col.27, line 8.

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As per claim 162, Edelson discloses Receive said first order from said registered user. See, for example, references to prescriptions (applicant's orders), service or parts orders, Col. 1, lines 1-15, Col. 3, lines 66-Col. 4, line 15, Col. 8, lines 20-62.

As per claims 163 and 181, Edelson discloses first profile further specifies a first recurrence interval upon elapse of which said first order is to recur. See, for examples, references to prescribed intervals, at least in Col. 27, lines 9-28, line 20.

As per claims 164 and 182, Edelson discloses first profile further specifies the regularity of said first recurrence interval. See, for examples, references to prescribed intervals, at least in Col. 27, lines 9-28, line 20.

As per claim 165 and 183, Edelson discloses Generate multiple standing orders, the multiple standing orders including the first standing order. See, for examples, references to prescribed intervals and multiple simultaneous prescriptions, at least in Col. 27, lines 9-28, line 20.

As per claims 167, 168, 185, 186 and 198, Edelson discloses allow said user to add [claims 168 and 198: remove] one or more of said plurality of electronic commerce system products or services to said first order. See, for example, at least Col. 18, line 54-Col. 23, line 25.

As per claims 169 and 187, Edelson discloses allowing a user to modify the recurrence. See, for example, at least Col. 25, line 35-Col. 26, line 54.

As per claims 184 and 186, Edelson discloses allow a user to modify said first profile. See, for example, at least Col. 18, line 54-Col. 23, line 25.

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As per claim 193 and 199, Edelson discloses creating a standing order profile. See at least references to prescription profiles, for example, Col. 9, line 65-Col. 10, line 38. See also references to refills, Col. 2, lines 16-41. See also at least references to prescription creation screen, Col. 18, line 54-Col. 21, line 3. See also references to new prescriptions, Col. 24, line 60-Col. 26, line 54.

Edelson **does not** specifically disclose

- standing order link is provided in response to the selection of the product or service and the standing order is established in response to selection of the standing order link, as in claim 196.
- a multi-level marketing system, as in claims 160 and 180.
- Register a user with said electronic commerce system as a member or IBO, as in claim 162 and 178
- first order for products or services may be specified in eaches or bulk, as in claims 171 and 189
- first order for products or services may be specified in eaches or cases, as in claims 172 and 190

Amway discloses that orders in an MLM system may be recurring or standing orders. Amway also discloses the use of specifics such as start date and end dates of an order and quantities in terms of eaches, cases, unit quantities, lot quantities and bulk shipments. Amway also discloses that orders and products in standing orders may be defined with time intervals upon elapse of which an order is to recur. Multilevel Marketing is

... a system of retailing in which consumer products are sold by independent businessmen and women (distributors) usually in customers' home. Distributors are also encouraged to build and manage a sales force by recruiting, motivating, supplying and training others to sell the products or service. Distributors compensation is then based on the sales of the entire sales force in addition to personal sales.¹

By definition, MLM systems such as disclosed by Amway may be directed to distributors in multiple levels. As applicant admits,

¹ Definition of MultiLevel Marketing, Barron's Dictionary of Business Terms.

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... it is important to provide different incentives according to roles. One particular group might prefer to get commissions as a reward. Others might prefer not to show commissions as part of their income and might prefer to receive coupons or other types of discounts on merchandise. Further, the names used to distinguish among different classes of participants are often limited only by the collective imagination of a firm's marketing department. Thus one participant may readily recognize his compensation by using an illustrative term (e.g., happy member compensation, or health-conscious role model participant, etc.) where the same participant may be less comfortable with a term such as level-x, or level-y compensation/commission. (see admissions, below)

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Edelson and Amway to disclose

- standing order link is provided in response to the selection of the product or service and the standing order is established in response to selection of the standing order link, as in claim 196.
- a multi-level marketing system, as in claims 160 and 180.
- Register a user with said electronic commerce system as a member or IBO, as in claim 162 and 178
- first order for products or services may be specified in eaches or bulk, as in claims 171 and 189
- first order for products or services may be specified in eaches or cases, as in claims 172 and 190

for the obvious reason that this type of marketing permits multiple parties to enjoy income and benefits of selling products.

Edelson and Amway do not specifically disclose

- a mainframe computer, as in claim 175.
- receive said first order for products or services into a shopping cart and generate said first profile from said shopping cart in response to selection of a link associated with the shopping cart, as in claim 188.

However, the specific browser or web files used for entering and storing data does not patentably distinguish the claimed system. It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide any type of data entry and data storage mechanism in the system taught

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by Edelson because the subjective interpretation of data entry and data storage does not patentably distinguish the claimed invention.

Claim Objections

Claims 157 and 174 are objected to because of the following informalities:

Applicant's latest amendment of claim 157 should read:

...receiving a first order by an electronic commerce system via a network, said network comprising at least one server computer callable of communication with a browser system located at a remote client computer, from said browser system for one or more of a plurality of electronic commerce system products or services corresponding to web files stored on said server;

since the previous version of claim 157, 8 December 2003, reads in part,

...receiving a first order for one or more of a plurality of electronic commerce system products or services corresponding to web files;

Please note that MPEP 608.01(m) requires a full listing of current claims.

In addition, Claims 157 and 174 are objected to because of the following informalities:

The claims refer to "automatically" The term is indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In addition, the Examiner notes that it has been held that broadly providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art. In re Venner, 120 USPQ 192.

Appropriate correction is required.

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Response to Arguments

Applicant's arguments filed 24 August 2004 have been carefully and fully considered.

Applicant appears to argue that Edelson's prescription system does not anticipate his order system:

The Examiner also points to references to the number of allowable refills of a prescription as evidence of recurrence. Applicants respectfully submit that one of ordinary skill in the art would not equate an allowable refill of a prescription to a recurrence of an order. A prescription refill only specifies the maximum number of allowable refills of a prescription. When the current prescription runs out, the patient may or may not automatically refill the order depending on the patient's condition. In contrast, an order in the present system will automatically recur according to the specified recurrence.

In short, Edelson et al. does not disclose or suggest a system that automatically fulfills an order according to a specified recurrence. At best, Edelson discloses a system that will split a single prescription to be fulfilled partially at a local pharmacy at a higher cost and the remainder from a mail order or similar prescription fulfillment service at a lower cost.... Page 10 of response

In contrast, the system of the present invention causes, automatically, an order to recur according to a specified recurrence.

In response to this comment, Applicant presents no special definition of the term *to order*. The Examiner notes that to "prescribe" is defined as "...to write at the beginning, dictate, order"². As applicant admits, Edelson discloses prescribing medications. "That a person skilled in the art might realize from reading the disclosure that such a particular definition (as now argued) is a possible definition is not a sufficient indication to that person that that particular definition is part of Applicant's invention as originally filed. Claims yet unpatented are to be given the broadest reasonable interpretation consistent with the specification during the examination of a patent application." In re Prater, 415 F.2d 1393, 162 USPQ 541 (CCPA 1969). In the instant case, Applicant has not

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persuasively demonstrated that Examiner applied unreasonable interpretation of the recited feature, that the interpretation is inconsistent with the specification, or that applied interpretation is repugnant to one of ordinary skill in the art.

A "traverse" is a denial of an opposing party's allegations of fact.³ The Examiner respectfully submits that applicants' arguments and comments do not appear to traverse what Examiner regards as knowledge that would have been generally available to one of ordinary skill in the art at the time the invention was made. Even if one were to interpret applicants' arguments and comments as constituting a traverse, applicants' arguments and comments do not appear to constitute an adequate traverse because applicant has not specifically pointed out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. 27 CFR 1.104(d)(2), MPEP 707.07(a). An adequate traverse must contain adequate information or argument to create on its face a **reasonable doubt** regarding the circumstances justifying Examiner's notice of what is well known to one of ordinary skill in the art. In re Boon, 439 F.2d 724, 728, 169 USPQ 231, 234 (CCPA1971).

If applicant does not seasonably traverse the well known statement during examination, then the object of the well known statement is taken to be admitted prior art. In re Chevenard, 139 F.2d 71, 60 USPQ 239 (CCPA 1943).
MPEP 2144.03 Reliance on Common Knowledge in the Art or "Well Known"

² Definition of *prescribe*, MERRIAM WEBSTER'S Collegiate Dictionary

³ Definition of Traverse, Black's Law Dictionary, "In common law pleading, a traverse signifies a denial."

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Prior Art. In view of applicant's failure to adequately traverse official notice, at least the following are admitted prior art:

... web links and on-line order updates are common and well known to one of ordinary skill in the art of electronic commerce.

... user requirements change, often in relationship to fluctuations in the national and international economy. Thus, a user may wish to increase the size of an order for one or more products to meet increased demand for the products. This ability to meet rising demand is critical to the health of a market and provides greater benefit to both purchasers and sellers.

...in order for a computer to process standing orders, it is necessary that the information concerning the standing orders and products be stored in the computer. The data may be stored as one or more records in one or more databases. The data necessary to complete such a record may also be referred to as a profile.

... use of these terms [*order profile, first profile and second profile*] facilitates communication concerning the capabilities of a system. The terms first profile and second profile provide some guidance to those involved in electronic commerce that the items being discussed are separate orders and may combine different products and quantities for each product.

...it is well known that mainframe computers may be linked to various networks to access databases stored on legacy systems.

... the use of single or multiple shopping cards in an e-commerce environment is well known to one of ordinary skill in the art.

... many companies maintain huge databases on mainframes. The data on these machines can be made available without incurring additional costs by creating web-enabled front-end applications. This reduces the cost of implementing a on-line shopping system that may utilize modern web tools. One of the many tools that has become common is an electronic shopping cart. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include the use of electronic shopping carts.

... obvious reason that shopping carts are an effective way of tracking items that a buyer wants to buy prior to checking out and actually carrying out a purchase over the Internet. A buyer can use the electronic shopping cart to keep track of what he has selected so far, and how much the contents of the cart will cost. Shopping carts permit efficient shopping sessions, and allows buyers to understand electronic shopping in terms of shopping's analogues in the physical world.

... Compensation is a direct and indirect monetary and nonmonetary reward given on the basis of the value of a job, contributions and performance. It is well known that multi-level marketing provides for several levels of compensation according to specified criteria.

... it is important to provide different incentives according to roles. One particular group might prefer to get commissions as a reward. Others might prefer not to

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show commissions as part of their income and might prefer to receive coupons or other types of discounts on merchandise. Further, the names used to distinguish among different classes of participants are often limited only by the collective imagination of a firm's marketing department. Thus one participant may readily recognize his compensation by using an illustrative term (e.g., happy member compensation, or health-conscious role model participant, etc.) where the same participant may be less comfortable with a term such as level-x, or level-y compensation/commission.

...in commerce, it is important for orders and quantities [standing orders, specific products in a standing order, and attributes for each product being ordered] to be defined as much as possible. A standing order contract, for example, may require specific amounts of particular products to be shipped. When a seller knows how much of a product must be sent, the seller can plan his inventory more effectively and be able to perform his contractual obligations. Similarly, buyers can make commitments for down-stream distribution when they are assured that they will have the materials on hand to sell to a second party. When such planning is not done properly, lawsuits and economic chaos may result. Uncertainty may lead to increased costs to buyers and sellers alike and may ultimately impact the economy as a whole, resulting in lost jobs and opportunities.

... computer-human interaction is facilitated with the use of links from one page to another. On the Web, such links are commonly called hyperlinks. They serve to facilitate the use of a web site according to the business needs of the system.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL.**

See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will

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the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James H Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8a-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

J2
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